

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
OFFICE OF FINANCIAL AND INSURANCE REGULATION

Before the Commissioner of the Office of Financial and Insurance Regulation

In the Matter of:

Alicia Ellis  
System ID No. 0354424

Enforcement Case No. 11-11280

Respondent.

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Issued and entered  
on 8-29, 2011  
by Annette E. Flood  
Chief Deputy Commissioner

CONSENT ORDER AND STIPULATION

I. FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. On June 12, 2009, ReliaStar Life Insurance Company (Company) received from Alicia Ellis, (Respondent) an application for an ING QuintaFlex Fixed Deferred 403(b) annuity for a client which would be funded by two separate individual fixed annuities.
2. On July 8, 2009, based on a failure to respond to a request for additional information, the Company rejected the application and continued to direct payment from the annuities to the client.
3. On June 23, 2009, the Company received from the Respondent a new, second application for an ING Quintaflex Fixed Deferred 403(b) annuity (403(b) annuity) for the same client which would be funded by salary deferrals and a final retirement payment from the client's employer.
4. The Company accepted this application and issued a contract on June 30, 2009.
5. On September 3, 2009, the Company, through its service center, received a telephone call, ostensibly from the client requesting assistance in filling out forms to redirect payment from the two individual fixed annuities into the 403(b) annuity.
6. It was later determined by the Company that the Respondent made the telephone call, impersonating her client.

7. On September 4, 2009, the Company, through its service center, received a telephone call, ostensibly from the client indicating she was expecting someone to call her back about redirecting the two individual fixed annuities into the 403(b) annuity.
8. It was later determined by the Company that the Respondent made the telephone call, impersonating her client.
9. On September 4, 2009, the Company received from the Respondent, Redirection of Annuity Payment forms requesting the payments from the two individual fixed annuities be redirected into the 403(b) annuity.
10. It was later determined by the Company that the client's signature on the Redirection of Annuity Payment forms was a forgery.
11. On September 9, 2009, the Company, through its service center, received a telephone call, ostensibly from the client confirming the receipt and processing of the redirection requests.
12. It was later determined by the Company that the Respondent made the telephone call, impersonating her client.
13. On September 28, 2009, the Company, through its service center, received a telephone call from what was determined to be the actual client, asking why she had not received the September payments from her two individual fixed annuities.
14. By contacting the Company and impersonating her client and redirecting annuity payments from the client into the 403(b) annuity without the client's approval, Respondent used fraudulent and dishonest practices demonstrating incompetence, and untrustworthiness in the conduct of business in violation of Section 1239(1)(h) of the Michigan Insurance Code (Code), as amended, MCL 500.100 *et seq.*, MCL 500.1239(1)(h)
15. By forging her client's signature on Redirection of Annuity Payment forms ordering the Company to direct payments from the client's two separate individual fixed annuities into the 403(b) annuity Respondent violated Section 1239(1)(j) of the Code, MCL 500.1239(1)(j).


## II. ORDER

Based upon the parties stipulation to the Findings of Fact and Conclusions of Law above, the Commissioner **ORDERS** the following:

- A. Respondent shall cease and desist from operating in a manner that violates Sections 1239 of the Code, MCL 500.1239.
- B. Respondent shall be placed on probation for a period of two (2) years, during which time the following requirements and prohibitions are applied:

- i. Respondent shall provide written quarterly reports to the Market Conduct Division of OFIR itemizing all transactions entered into with and on behalf of clients.
  - ii. Respondent shall provide in writing any written or oral customer complaints regarding her within 30 days of receipt of said complaint, and any steps taken to resolve the matter arisen.
  - iii. Respondent shall keep all records from all transactions in review ready condition in preparation for possible on-sight surprise audits.
  - iv. Respondent is prohibited from applying for or obtaining further appointments throughout the probationary period unless the Market Conduct Division of OFIR consents prior to application.
  - v. Respondent shall retake and pass a pre-licensing training and exams within the first year of the probation period. Respondent shall notify the Market Conduct Division at the time she begins the class and the time she passes the pre-licensing exam.
  - vi. Respondent shall take an additional three (3) credits of Continuing Education Course in ethics in the second year of the probation period.
- C. Respondent shall pay to the State of Michigan, through OFIR, a civil fine of \$2,000 within 90 days of the invoice date as indicated on the OFIR invoice.

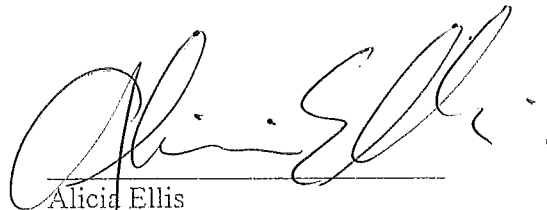
OFFICE OF FINANCIAL AND  
INSURANCE REGULATION

  
Annette E. Flood  
Chief Deputy Commissioner

### III. STIPULATION

Respondent has read and understand the consent order above. Respondent agrees that the Chief Deputy Commissioner has jurisdiction and authority to issue this consent order pursuant to the Insurance Code. Respondent waives any right to a hearing in this matter if this consent order is issued. Respondent understands that this stipulation and consent order will be presented to the Chief Deputy Commissioner for approval and the Chief Deputy Commissioner may or may not issue this consent order. Respondent waives any objection to the Commissioner deciding this case following a hearing in the event the consent order is not approved. Respondent admits the findings of fact and conclusions of law set forth in the above consent order and agrees to the entry of this order. Respondent admits that both parties have complied with the procedural requirements of the Code and the Michigan Administrative Procedures Act (MAPA), MCL 24.201 *et seq.* Respondent has had an opportunity to review the Stipulation and Consent Order and have the same reviewed by legal counsel.

Respondent agrees failure to comply with the terms of the Order, including failure to pay the administrative and civil fines as set forth above within ninety (90) days of the date of the invoice shall result in a revocation proceedings for failure to comply with an order of the Commissioner of all licenses or registrations regulated by OFIR held by Respondent, or in the denial of any OFIR regulated license or registration renewal, and the denial of future applications for OFIR regulated licensure or registration until compliance is made with the terms of this Stipulation.

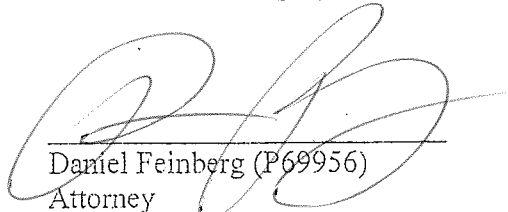


Alicia Ellis  
System ID No. 0354424

8.12.11

Date

OFIR staff approves this stipulation and recommends that the Chief Deputy Commissioner issue the above Consent Order.



Daniel Feinberg (P69956)  
Attorney

8/18/11

Date